



# LITTLE HOOVER COMMISSION

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## **Commission Releases Review of Proposed Labor Agency**

The Little Hoover Commission on Monday recommended that the Legislature accept the Governor's proposal to create a Labor and Workforce Development Agency on the condition that the administration prepares detailed plans for improving services to the public.

The proposal would combine the Employment Development Department, the Department of Industrial Relations, the Workforce Investment Board, and the Agricultural Labor Relations Board into a new agency headed by a cabinet secretary. EDD is now part of the Health and Human Services Agency, while the other three entities report directly to the Governor.

The new agency, according to the administration, would lead to improvements in the coordination of the State's multi-billion-dollar workforce development efforts, stronger enforcement of worker protection laws, and better use of state data in various programs that support economic growth.

The Commission found that the proposed agency has the potential to improve the efficiency and effectiveness of these programs, but the plan does not provide any details on how the programs would be managed differently.

"The reorganization plan by itself is hardly an improvement," Commission Chairman Michael Alpert wrote in the cover letter to policymakers. "But it is an important opportunity. Each new organization – with good leadership and clear goals – has the opportunity to break down traditional barriers and reinvigorate the people involved to pursue a common purpose."

The Commission recommended that the administration develop a detailed business plan that sets priorities, specific goals for improvement, and a means of measuring progress from the perspective of the local agencies, employers and workers that the new agency would serve.

The Commission identified a number of issues the administration should consider as it pursues improvements in workforce development, workplace enforcement and economic-related research. The Commission found particular opportunity in the potential of the Workforce Investment Board, if strengthened, to align the State's disparate administration of programs intended to support local efforts to prepare Californians for success in the workplace.

The Commission also urged the administration to give greater consideration to how the new agency could coordinate workforce and economic development efforts. And the Commission suggested that more scrutiny should be given to how a variety of workplace-related adjudicatory boards could be organized and managed under the new agency.

The Little Hoover Commission is required to evaluate all reorganization plans. By law, the Governor is required to submit any proposed reorganization plan to the Commission 30 days prior to submitting the plan to the Legislature. The Commission must issue its report within 30 days of the Legislature receiving the plan.

The plan for a Labor and Workforce Development Agency was submitted to the Commission on March 1. At the time this report was released, the plan had not yet been submitted to the Legislature. Once the Legislature receives the plan, it will have 60 days to review it, and if it chooses, reject the plan by a majority vote of either the Senate or the Assembly. If the plan is not rejected, the new agency becomes law.

The Commission's report, along with the Governor's plan and related documents, are available on the Commission's Web site: [www.lhc.ca.gov](http://www.lhc.ca.gov). The Commission is a bipartisan panel comprised of public and legislative members charged with reviewing state policies for efficiency and effectiveness.